# 2010 Carrier Investment Commitments

*BCBSRI only*

*December 7, 2009*

# What is Included

1 Primary Care Spend Definition: What is/is not Included for 2010

2 Specific Spend Commitments for Each Carrier

3 Carrier Investment Plans

4 Monitoring Plan and Schedule

5 Coordinated ED Incentive: Planning Schedule (on hold)

6 Forecasting Template (Due Quarterly)

7 PC Spend Report (Due Semi-Annually)

# Primary Care Spend Metric: Working Definition

*Revised as of October 19. 2009*

For each calendar year[5], for all fully insured commercial business[4], all medical payments[1] made to primary care providers[2] in Rhode Island, regardless of where the member resides. Payments should be reported as both total dollars spent during the time period and as a percentage of total medical payments[3] during the time period.

1. Payments defined as paid claims. Medical payments exclude Rx, lab and imaging services, and are broken out by:
   Payment for services: CPT codes, capitation, etc.
   Incentive/bonus payments, including both performance and infrastructure payments
   All other payments (please explain)

2. Primary care providers are inclusive of the following:
   - § practice type: Family Practice, Internal Medicine and Pediatrics
   - § professional credentials: Drs of Medicine and Osteopathy, Nurse Practitioners, and Physicians' Assistants

   "Dual" providers, i.e., those who deliver both primary and specialty care, are excluded, except in those instances where the specialist is paid on a PCP fee schedule.

3. "Total medical payments" includes all payments made to Rhode Island facilities and providers, regardless of where the member resides.
   - § This should include Rx, Behavioral Health, lab and imaging services.
   - § Medical payments should be inclusive of any secondary payer payments.
   - § Rx payments* should include Rhode Island payments only.
     - Blue Cross will include only those payments made to pharmacies in Rhode Island, plus mail order payments (again, regardless of where the member resides). Rx carve outs will be adjusted by the % of members with pharmacy benefits, and that % will be included in ongoing reporting
     - United will include only those payments for scripts written by RI providers, regardless of where it is filled.

4. Commercial Spend Inclusions:
EMR related Lump sum payments paid out as a one-time, fixed dollar amount to primary care providers may be credited in full toward fully insured commercial spend. Pmpm payments related to the CSI project, paid to primary care providers on the basis of fully insured, Medicaid AND Medicare risk membership may be credited toward fully insured commercial spend. All other primary care spend (e.g., ffs payments, pmpm payments for self insured) must be appropriately allocated to the products/segments they support

5. Timing Exceptions:
   - § EMR related bonuses (lump sum payments only), paid to primary care providers during the fourth quarter of 2009 may be included in reports as 2010 fully insured commercial spend.
   - § Any Q4 2009 spend on PCP fee changes implemented in Q4 2009 may be included in reports as 2010 spend.

* Note: There was discussion of the possibility that there would be a growing share of business with Rx carve outs. We agreed that carriers could and should report on this issue on their primary care spend reports, and may report an adjusted spend percentage, reflecting the impact of Rx carve outs.

Affordability Standard One: Primary Care Spend Rate

## 2. Carrier Spending Commitments, 2010

**Primary Care Spending Commitments**

| | BCBSRI | United | Blended |
|---|---|---|---|
| 2008 Baseline % | 5.8% | 5.4% | 5.8% |
| 2010 Targeted Spend | 6.8% | 6.4% | 6.8% |
| 2010 Estimated Investment* | $9 Million | $2 Million | $11 Million |

Estimates based on projected trend and total medical expenditure by carrier. Estimates will be revised semi-annually based on latest trend and medical expenditure data.

**Additional Commitments**

(Affordability Standards Two and Three, Used for Projecting Spend for Standard One)

1. CSI Project expansion, additional 25 PCPs, as of 4/1/2010
2. Participate in design of ED incentive program, for 1/1/2011 implementation (on hold)
3. Support single coordinated EMR incentive eligibility "test" through RIQI

**Note: Tufts will not be held to specific spend, because of small enrollment but has agreed to:**

- Proportionate participation in CSI Project
- Implementing EMR adoption incentives
- Measurement of PCP Spend rates

# BCBSRI Carrier Investment Plan Detail

*as of 10/16/2009 (final submission, upon request)*

| Category | Description | % (Final) |
|---|---|---|
| 1) Patient-Centered Medical Home (PCMH) | Funding to support adoption of PCMH. Includes:<br>1) BCBSRI-only program, focused on complex members, with funding for infrastructure (e.g. nurse case manager) and PMPM payments<br>2) expansion of CSI-RI program | 50.0% |
| 2) Electronic Health Records | Funding to support implementation and use of electronic health records. Includes:<br>1) funding for pre-implementation readiness assessment for new EHR users<br>2) funding for new EHR users (including training/implementation support)<br>3) funding for existing EHR users<br>4) enhanced fee schedule for qualified providers | 10.0% |
| 3) Behavioral Health and Primary Care Integration | Funding to improve behavioral health access and communication between primary care and behavioral health providers. Includes support for co-location of behavioral health in primary care practices and for the development of collaborative agreements (at least 5 new co-located practices and several collaborative agreements) | 5.0% |
| 4) Value-based Benefits | Co-pay waivers to incent use of targeted PCPs | 2.5% |
| 5) Delivery System Improvement (Specialist Focus) | Funding for specialist providers to improve coordination with primary care. Includes<br>1) Enhanced fee schedule for specialist EHR users who coordinate care/communicate w PCPs<br>2) bonus based on PCP satisfaction with specialist services / care coordination<br>3) develop principal care centers (specialist "medical homes" - Ex. end stage CHF/Cardiology)<br>4) lump sum funding for "urgent" access to specialists as alternative to ER/urgicenter | 5.0% |
| 6) Delivery System Improvement (Hospital Focus) | Support the development of a patient-centered medical "neighborhood" - new contracts/ initiatives to support care coordination among hospital, specialists , and PCPs [i.e. funding to hospital for NCM who provide care coordination services to multiple local PCP practices] | 5.0% |
| 7) Pay for Performanc | Incentive to promote more cost effective drug utilization [i.e. therapeutic substitution for cholesterol lowering /PPI drugs] - gainsharing with "non-engaged" PCPs | 7.5% |
| 8) Accountable Care Organizations | Incentives [lump sum grants] to encourage the development of accountable care organizations. Examples include:<br>1) incentives for smaller practices to merge or join larger organizations<br>2) incentives for quality improvement activities [i.e. educational meetings]<br>3) incentives for practices to improve access by extending office hours<br>4) Discharge Care Coordination | 5.0% |
| 9) Fee Schedule Increase | | 5.0% |
| 10) Loan Repayment | Funding available in the Rhode Island Primary Care Educational Loan Repayment Program | 5.0% |
| | | 100.0% |

* The funding categories and related percentages represent BCBSRI projections. Categories and/or % values are subject to change.

# Affordability Standard One: Monitoring Plan

**Two primary areas of focus**

- Status of current year investment plans
- Developing future year investment plans

**Key Deliverables**

1. 2010 Investment Forecast Template (Quarterly)
2. Primary Care Spend Template (Semi-Annually)
3. 2011 Investment Plan

**Approach**

- OHIC Meetings: (Quarterly)

Quarterly update meetings with OHIC/Commissioner. Separately for each carrier

- Investment forecasts: (Updated Quarterly)

Carriers Maintain/update initial investment plan budget template, reforecast quarterly based on any changes in assumptions/ implementation plans (see attached template). Specify any planned corrective action as needed to meet targets

- Actual Spend Template: (Updated Semi-Annually)

YTD spend for first 6 months of 2010 reported in October 2010 using existing primary care spend template.
Actual spend for 2010 reported and finalized in April 2011 using existing primary care spend template.

- 2011 Investment Plans: (Final Due October 1, 2010)

Carriers work with OHIC to develop 2011 budget, April -September 2010. Final 2011 investment plan by October 1, 201

**Public Review**

- PCPAC, HIAC Review

All documents will be reviewed regularly with both the PCPAC and the HIAC for feedback and guidance

- Carrier Investment plans, investment forecasts will be posted on the OHIC website

# Primary Care Investments: Monitoring Schedule

| | 2010 Investment Forecast Updates | 2011 Budget Development |
|---|---|---|
| Oct-09 | Review 2010 Carrier Investment Plan (final) | |
| Jan-10 | Review updated 2010 Investment Forecast | |
| Apr-10 | Review updated 2010 Investment Forecast<br><br>Review 2009 Primary Care Spend Report | Review Preliminary 2011 Investment Plans (no numbers)<br><br>Review draft estimates of required investment targets (total dollars required to meet spend target) |
| Jul-10 | Review updated 2010 Investment Forecast | Preliminary 2011 Investment Plans (draft numbers) |
| Oct-10 | Review updated 2010 Investment Forecast. Focus on any needed corrective actions<br><br>Review 2010 YTD Primary Care Spend Report | Final 2011 Investment Plans Due |
| Jan-11 | Review updated 2010 Investment Forecast Focus on any needed corrective actions | Review any updates to 2011 Investment Plan |
| Apr 2011 Meeting | 2010 Primay Care Spend Report Due, reporting actual PC spend as % of total Medical spend | Review updated 2011 Investment Forecast |

Note: Quarterly Investment Forecasts and 2011 draft investment plans submitted by the carriers to OHIC will be reviewed regularly with HIAC and PCPAC for feedback and guidance.

# 5. Developing A Coordinated ED Program (on Hold)

## (Possible Area for Meeting Affordability Standard One in 2011)

| **Project Plan** | |
|---|---|
| Nov 2009 Meeting | Project Plan<br>Initial data request |
| Jan 2010 Meeting | Review data learnings<br>Who are high performing docs? Plan interview strategy |
| April 2010 Meeting | Review learnings from interviews with high performing docs:<br>What are key success factors? |
| July 2010 Meeting | Proposed Program Options<br>Carriers propose short list of coordinated program options, plan for choosing an approach |
| Sep 2010 Meeting | Final Program Options<br>Final plan for coordinated program |
| Jan 2011 | Implement new program |

**BCBSRI Investment Plan: Updated Forecast**
*as of 10/16/2009 (final submission, upon request)*

| Investment Plan Summary | 2010 Investment Plan | 2010 Fcast as of Jan'10 | 2010 Fcast as of Apr'10 | 2010 Fcast as of Jul'10 | 2010 Fcast as of Oct'10 | 2010 Final Spend as of Jan'11 | Key Changes |
|---|---|---|---|---|---|---|---|
| 1) Patient-Centered Medical Home (PCMH) | 50% | | | | | | |
| 2) Electronic Health Records | 10% | | | | | | |
| 3) Behavioral Health and Primary Care Integration | 5% | | | | | | |
| 4) Value-based Benefits | 3% | | | | | | |
| 5) Delivery System Improvement (Specialist Focus) | 5% | | | | | | |
| 6) Delivery System Improvement (Hospital Focus) | 5% | | | | | | |
| 7) Pay for Performance | 8% | | | | | | |
| 8) Accountable Care Organizations | 5% | | | | | | |
| 9) Fee Schedule Increases | 5% | | | | | | |
| 10) Loan Repayment | 5% | | | | | | |
| Total | $9 Million | | | | | | |

TRUE

Note: Total $ investment shown is an estimate, which will be updated semi-annually based on best available data.

**Primary Care Spend**
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
*draft as of September 2, 2009*

Please complete the **THREE** template below in accordance with the attached definitions.

**Template 1: Rhode Island Fully Insured Commercial Payment Based on Claims Paid**

| Calendar Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|
| **RI Primary Care Payments** | | | | | | | | |
| Number of visits | | | | | | | | |
| FFS Payment for CPT codes: E&M well visits | | | | | | | | |
| FFS Payment for CPT codes: E&M sick visits | | | | | | | | |
| FFS Payment for CPT codes: other | | | | | | | | |
| Pmpm incentive payments | | | | | | | | |
| Lump sum payments (1) | | | | | | | | |
| Additional payments to primary care providers (2) | | | | | | | | |
| Other Allowable payments (3) | | | | | | | | |
| **Total Primary Care Payments** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **All RI Medical Payments** | | | | | | | | |
| Rx (prior to adjustments) | | | | | | | | |
| Rx (adjustment for carve outs) | | | | | | | | |
| Rx Total | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| MHSA Total | | | | | | | | |
| All Other Medical Payments (exc Rx + MHSA) | | | | | | | | |
| **Total RI Medical Payments** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **PC Spend as % of Total** | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |

**Primary Care Spend**
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
*draft as of September 2, 2009*

Please complete the **THREE** template below in accordance with the attached definitions.

**Template 2: Rhode Island Fully Insured Commercial Payment Based on Allowed Claims**

| Calendar Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|
| **RI Primary Care Payments** | | | | | | | | |
| Number of visits | | | | | | | | |
| FFS Payment for CPT codes: E&M well visits | | | | | | | | |
| FFS Payment for CPT codes: E&M sick visits | | | | | | | | |
| FFS Payment for CPT codes: other | | | | | | | | |
| Pmpm incentive payments | | | | | | | | |
| Lump sum payments (1) | | | | | | | | |
| Additional payments to primary care providers (2) | | | | | | | | |
| Other Allowable payments (3) | | | | | | | | |
| **Total Primary Care Payments** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **All RI Medical Payments** | | | | | | | | |
| Rx (prior to adjustments) | | | | | | | | |
| Rx (adjustment for carve outs) | | | | | | | | |
| Rx Total | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| MHSA Total | | | | | | | | |
| All Other Medical Payments (exc Rx + MHSA) | | | | | | | | |
| **Total RI Medical Payments** | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **PC Spend as % of Total** | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |

1. Lump sum payments (e.g., EMR, performance bonuses) paid out as a one-time, fixed dollar amount to primary care providers may be credited in full toward fully insured commercial spend. All other primary care spend (e.g., ffs payments, pmpm capitations) should be appropriately allocated to the products/segments they support
2. Please identify + document any additional payments to primary care providers that are not listed here
3. "Allowable" primary care related payments that are not directly paid to contracted providers. For example, training, CSI, loan forgiveness, etc. Please specify.

**Primary Care Spend**
Reporting Template: Annually to OHIC on April 1, for prior calendar year spending
*draft as of September 2, 2009*

Please complete the **THREE** template below in accordance with the attached definitions.

**Template 3: Additional Metrics**

| Calendar Year | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---|---|---|---|---|---|---|---|
| **1. Primary Care Supply** | | | | | | | | |
| Primary Care Provider Count | | | | | | | | |
| Total Number of Professional Providers (1) | | | | | | | | |
| **% Primary Care** | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! | #DIV/0! |
| **2. Ambulatory Care Sensitive Conditions (TBD)** | | | | | | | | |
| **3. All Payor Medical Home Initiative** | | | | | | | | |
| Number of sites | | | | | | | | |
| Number of providers | | | | | | | | |
| $ paid in pmpm incentives | | | | | | | | |
| $ paid for Nurse Case Manager | | | | | | | | |
| Project management payments | | | | | | | | |
| Total | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| **3. EMR Incentive Program** | | | | | | | | |
| Number of Participating Professional Providers | | | | | | | | |
| Number of Participating Primary Care Providers (2) | | | | | | | | |
| $ EMR incentive payments (2) | | | | | | | | |

1. Professional Providers includes the following: Drs. Of Medicine and Osteopathy, nurse practitioners and physician assistants.
2. Includes up-front bonus payment only. Fee schedule increases are captured in E&M code payments on template #1